

## 21 C.J.S. Courts § 301

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### Courts

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### VIII. Concurrent and Conflicting Jurisdiction

#### B. State and United States Courts

##### 4. Enjoining Proceedings in Other Court

##### b. Exceptions to Anti-Injunction Act

§ 301. Protection of jurisdiction exception to Anti-Injunction Act—Multidistrict litigation; class actions

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#### West's Key Number Digest

West's Key Number Digest, [Courts](#)  508(2.1)

**Under an appropriate set of facts, a federal court entertaining complex litigation, especially when it involves a substantial class of persons from multiple states, or represents a consolidation of cases from multiple districts, may appropriately enjoin state court proceedings in order to protect its jurisdiction, pursuant to the necessary in aid of jurisdiction exception to the Anti-Injunction Act.**

Under an appropriate set of facts, a federal court entertaining complex litigation, especially when it involves a substantial class of persons from multiple states, or represents a consolidation of cases from multiple districts, may appropriately enjoin state court proceedings in order to protect its jurisdiction, pursuant to the necessary in aid of jurisdiction exception to the Anti-Injunction Act.<sup>1</sup> In complex cases where class certification or settlement has received conditional approval,

or perhaps even where settlement is pending, the challenges facing the overseeing federal court are such that it is likely that almost any parallel litigation in another forum presents a genuine threat to the jurisdiction of the federal court.<sup>2</sup>

Pursuant to the necessary in aid of jurisdiction exception, a federal court retaining continuing and exclusive jurisdiction to administer, supervise, interpret, and enforce a nationwide class settlement has the authority to restrain state court actions by class members who opt out of the settlement in order to effectuate the settlement agreement's punitive damages provision where the punitive damages release is a central pillar of the settlement agreement.<sup>3</sup> Allowing state court actions of class members, who opt out at an intermediate stage pursuant to a settlement provision precluding them from pursuing punitive damages, to run afoul of that provision would fatally subvert it and render the agreement and the federal court's jurisdiction nugatory.<sup>4</sup>

Where, pursuant to the necessary in aid of jurisdiction exception, the federal court has the right to effectuate the restraints of a class settlement through an order restraining opt-out plaintiffs' conduct in ancillary state proceedings, that power must be exercised in a manner that minimizes entanglement in the state judge's ability to supervise judicial proceedings in his or her own courtroom.<sup>5</sup> The federal court injunction of state court proceedings should be fashioned in a manner that presumes that the state judge is capable and willing to enforce the federal court settlement without close and intrusive supervision by the federal court.<sup>6</sup> However, the in aid of jurisdiction exception to Anti-Injunction Act was not applicable to a federal action that was not on the verge of settling, given that named plaintiffs in the federal action had engaged in two unsuccessful mediation sessions with bank, settlement discussions had ceased, parties had continued to engage in discovery, and there was a proposed settlement in state court action on a nationwide class action basis, possibly encompassing the claims in federal action.<sup>7</sup>

## CUMULATIVE SUPPLEMENT

### Cases:

No injunction over parallel state court action was necessary to prevent usurpation of District Court's jurisdiction over Private Securities Litigation Reform Act (PSLRA) class action; final disposition of the federal litigation was not imminent, and thus injunction was not necessary to effectuate such settlement of judgment. 28 U.S.C.A. §§ 1651(a), 2283. *In re Lendingclub Securities Litigation*, 282 F. Supp. 3d 1171, 98 Fed. R. Serv. 3d 1556 (N.D. Cal. 2017).

## [END OF SUPPLEMENT]

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### Footnotes

- 1 U.S.—*In re Diet Drugs*, 282 F.3d 220 (3d Cir. 2002); *Newby v. Enron Corp.*, 338 F.3d 467 (5th Cir. 2003).
- 2 U.S.—*In re Diet Drugs*, 282 F.3d 220 (3d Cir. 2002).  
  
**Pretrial discovery**  
A federal court managing multidistrict litigation may enjoin parallel state proceedings in order to protect the integrity of its pretrial discovery orders.  
  
U.S.—*Winkler v. Eli Lilly & Co.*, 101 F.3d 1196, 36 Fed. R. Serv. 3d 23 (7th Cir. 1996).
- 3 U.S.—*In re Diet Drugs (Phentermine/Fenfluramine/Dexfenfluramine) Products Liability Litigation*, 369 F.3d 293 (3d Cir. 2004).
- 4 U.S.—*In re Diet Drugs (Phentermine/Fenfluramine/Dexfenfluramine) Products Liability Litigation*, 369 F.3d 293 (3d Cir. 2004).
- 5 U.S.—*In re Diet Drugs (Phentermine/Fenfluramine/Dexfenfluramine) Products Liability Litigation*, 369 F.3d 293 (3d Cir. 2004).
- 6 U.S.—*In re Diet Drugs (Phentermine/Fenfluramine/Dexfenfluramine) Products Liability Litigation*, 369 F.3d 293 (3d Cir. 2004).
- 7 U.S.—*In re HSBC Bank, USA, N.A., Debit Card Overdraft Fee Litigation*, 99 F. Supp. 3d 288 (E.D. N.Y. 2015).